

**January 12, 2004**

**Notice of correction to 2003 Form ND-1, line 12:  
National Guard/Reserve member exclusion for federal active duty**

There is an error on the 2003 Form ND-1. The error is on line 12 of page 1 which pertains to the new compensation exclusion allowed to National Guard and U.S. armed forces reserve members who were called to federal active duty. The wording on line 12 states that the exclusion is for federal active duty service performed *outside North Dakota*. This is incorrect. The exclusion is allowed for federal active duty service regardless of where the service was performed.

The following shows where the error appears and the correction to it:

**Error on line 12 of 2003 Form ND-1:** On the face of the 2003 Form ND-1, line 12 reads as follows:

**12.** National Guard/Reserve member exclusion for  
federal active duty outside North Dakota..... **(NI) 12**

**Correction:** Line 12 of the 2003 Form ND-1 should read as follows:

**12.** National Guard/Reserve member exclusion for  
federal active duty ..... **(NI) 12**

***Note: The instruction for line 12 contained in the 2003 Form ND-1 instruction booklet was also changed to remove similar language limiting the exclusion to federal active duty service performed outside North Dakota.***

***Questions may be directed to:***

*Individual Income Tax Section  
Office of State Tax Commissioner  
600 East Boulevard Avenue, Dept. 127  
Bismarck, ND 58505-0599*

*Phone: 701-328-1032  
Fax: 701-328-1942  
E-mail: [individualtax@state.nd.us](mailto:individualtax@state.nd.us)*

January 7, 2004

## Notice to nonresident U.S. armed forces members: Change to 2003 Form ND-1

### Purpose of notice

On December 19, 2003, President Bush signed into law the Servicemembers Civil Relief Act (H.R. 100; Public Law No. 108-189). This federal legislation updated and expanded what has been known as the Soldiers' and Sailors' Civil Relief Act of 1940.

One of the new provisions in the Act provides that a state may not use the active duty military compensation of a nonresident servicemember to calculate the tax on other income of the nonresident servicemember or the servicemember's nonresident spouse that is sourced in the state if it causes an increase in the tax. For North Dakota individual income tax purposes, this provision in the Act affects the calculation of the tax on North Dakota Form ND-1 (Main Method). ***Note: The Act does not affect the calculation of the tax on Form ND-2, the Optional Method.***

### Adjustment to 2003 Form ND-1

Because the 2003 North Dakota Form ND-1 was already finalized and printed before the federal legislation was passed and signed into law, it does not take into account the change in the Act for nonresident servicemembers or their nonresident spouses. For purposes of completing the 2003 Form ND-1 only, the following special instructions apply:

- Write "Servicemembers Civil Relief Act" at the top of the 2003 Form ND-1.
- Enter active duty military compensation on line 5 of the 2003 Form ND-1 and write "nonresident military pay" on the dashed line to the left of the amount.

***Note:*** This line is normally reserved for interest from U.S. obligations. Therefore, if the individual also has interest from U.S. obligations, add the active duty military compensation to the interest from U.S. obligations and enter the total on line 5.

- If Schedule SF (Schedule for joint filers with different states of residence) is required to be completed, also enter the active duty military compensation on Schedule SF, Part 2, line 5, Column C.

### Have questions or need assistance?

If you have any questions about this notice or need assistance with preparing your 2003 North Dakota individual income tax return, contact the Individual Income Tax Section, North Dakota Office of State Tax Commissioner in any of the following ways:



E-mail us at **individualtax@state.nd.us**.



Call (701) 328-1032. If speech or hearing impaired, call 1-800-366-6888 (Relay North Dakota) and ask for 701-328-1032.



Write to Individual Income Tax Section, Office of State Tax Commissioner, 600 East Boulevard Avenue, Dept. 127, Bismarck, ND 58505-0599.

**ND-1 Individual income tax return 2003****Please type or print in black or blue ink. Enter one letter or number in each box. Fill in circles completely.**

Your social security number

Spouse's social security number

Your name (First, MI, Last name)

If joint return, spouse's name (First, MI, Last name)

Mailing address

City

State

Zip code

- A. Filing status used** ☐ 1. Single  
on federal return: ☐ 2. Married filing jointly  
(Fill in only one) ☐ 3. Married filing separately
- ☐ 4. Head of household  
☐ 5. Qualifying widow(er) with dependent child

Spouse's name

- B. Residency status:** ☐ 1. Full-year resident  
(Fill in only one) ☐ 2. Full-year nonresident  
☐ 3. Part-year resident
- C. School district code**  
(See page 17)
- D. Income source code**  
(See page 9)

► Fill in only if applicable: ☐ Amended  
(See page 9) ☐ Extension

► **Fiscal year filer ONLY:** (See page 9)

Enter fiscal year beginning date

**Month Day Year**

Enter fiscal year ending date

**Month Day Year**

Were you required to pay  
estimated federal income tax  
for 2003? (See page 9) ☐ Yes  
☐ No

Dept. use only: Composite return ☐ (CF)

**E. Federal adjusted gross income** from line 34 of Form 1040, line 21 of Form 1040A,  
line 4 of Form 1040EZ, or line I of TeleFile Tax Record

(SX) 

**1. Federal taxable income** from line 40 of Form 1040, line 27 of Form 1040A, line 6 of  
Form 1040EZ, or line K of TeleFile Tax Record (If zero, see page 9 of instructions)

(SS) **Additions**

**2. Lump-sum distribution from Federal Form 4972** (NA)

**3. Loss from pass-through entity subject to North Dakota's  
financial institution tax (Attach statement from entity)** (NB)

**4. Add lines 1, 2 and 3** 4

**Subtractions**

**5. Interest from U.S. obligations**  
(Attach supporting statement) (SN)

**6. Net long-term capital gain exclusion**  
(From worksheet on page 10 of instructions) (NC)

**7. Exempt income of a Native American** (S4)

**8. Benefits received from U.S. Railroad Retirement Board**  
(Attach copy of Form RRB-1099/RRB-1099-R, or both) (S5)

**9. Income from pass-through entity subject to North Dakota's  
financial institution tax (Attach statement from entity)** (S6)

**10. Renaissance zone income exemption**  
(Attach Schedule RZ) (S7)

**11. New or expanding business income exemption** (NH)

**12. National Guard/Reserve member exclusion for  
federal active duty outside North Dakota** (NI)

**13. Total subtractions. Add lines 5 through 12** 13

**14. North Dakota taxable income.** Subtract line 13 from line 4. If less than zero, enter 0 (ND)

**15. Tax:** • If **full-year resident**, enter amount from Tax Table on page 18 of instructions.  
If you have farm income, see page 11 of instructions. (SB)

• If **part-year resident** or **full-year nonresident**, enter amount from  
Schedule ND-1NR, line 22.

North Dakota Office of State Tax Commissioner  
2003 Form ND-1, page 2



US Dollars

16. Enter your **tax** from line 15 of page 1 ..... 16     ,     .

**Credits**

17. Credit for income tax paid to another state  
(Attach Schedule ND-ICR) ..... (SD) 17     ,     .

18. Family member care credit (Attach Schedule FC) ..... (S2) 18     ,     .

19. Renaissance zone credit (Attach Schedule RZ) ..... (S3) 19     ,     .

20. Agricultural commodity processing facility investment credit  
(Attach investment reporting form) ..... (NE) 20     ,     .

21. Credit for unused federal credit for prior year minimum tax  
(From worksheet on page 11 of instructions) ..... (NF) 21     ,     .

22. Qualified business seed capital investment credit  
(Attach investment reporting form) ..... (NG) 22     ,     .

23. **Net tax liability.** Subtract lines 17 through 22 from line 16. **If less than zero, enter 0** ..... (SE) 23     ,     .

**Withholding and/or tax already paid**

24. North Dakota withholding (Attach supporting W-2s and 1099s) ..... (SF) 24     ,     .

25. Estimated tax paid (including extension payment on  
Form 400-EXT) plus overpayment applied from 2002 ..... (S&) 25     ,     .

26. Total payments. Add lines 24 and 25 ☐ If line 26 is MORE than line 23, complete lines 27 through 31.  
☐ If line 26 is LESS than line 23, complete lines 32 through 35. 26     ,     .

**Refund**

27. **Overpayment** - If line 26 is MORE than line 23, subtract line 23 from line 26 and enter result;  
otherwise, go to line 32. **If result is less than \$5.00, enter 0** ..... (SG) 27     ,     .

28. Amount of line 27 that you want applied to your 2004  
estimated tax ..... (SQ) 28     ,     .

29. Amount of line 27 that you wish to contribute to the Watchable  
Wildlife Fund ..... (SP) 29     ,     .

30. Amount of line 27 that you wish to contribute to the Trees  
For ND Program Trust Fund ..... (SW) 30     ,     .

31. **Refund.** Subtract lines 28 through 30 from line 27. **If result is less than \$5.00, enter 0** ..... (SR) 31     ,     .

To **direct deposit** your  
refund, complete items a, b,  
and c. (See page 12.)

a. Routing number:

b. Account number:

c. Type of account:

☐ Checking

☐ Savings

**Tax Due**

32. **Tax due** - If line 26 is LESS than line 23, subtract line 26 from line 23 and enter result.  
**If result is less than \$5.00, enter 0** ..... (SZ) 32     ,     .

33. Amount that you wish to contribute to the Watchable  
Wildlife Fund (but only if there is a tax due on line 32) ..... (SU) 33     ,     .

34. Amount that you wish to contribute to the Trees For ND  
Program Trust Fund (but only if there is a tax due on line 32) ..... (SY) 34     ,     .

35. **Balance due.** Add lines 32, 33, 34, and, if applicable, line 36.  
Pay to: **ND State Tax Commissioner** ..... 35     ,     .

36. Interest on underpaid estimated tax from Form 400-UT ..... (SO) 36     ,     .

I declare under the penalties of North Dakota Century Code §12.1-11-02, which provides for a Class A misdemeanor for making a false statement in a governmental matter, that this return, including any accompanying schedules and statements, has been examined by me, and to the best of my knowledge and belief is a true, correct, and complete return. **Privacy Act** - see inside front cover of booklet.

Your signature	Date	Your daytime phone number
Spouse's signature	Date	
Signature of paid preparer	EIN/SSN/PTIN	Date

► **Attach a copy of your 2003 federal income tax return**  
► **Mail to: Office of State Tax Commissioner, 600 E. Boulevard Ave.,  
Dept. 127, Bismarck, ND 58505-0550**

OPR ☐

**Tax Department use only**

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